CIRCULAR

SEBI/HO/IMD/DF2/CIR/P/2019/152 **December 10, 2019**

All Mutual Funds (MFs)/
Asset Management Companies (AMCs)/
Trustee Companies/ Board of Trustees of Mutual Funds/
Association of Mutual Funds in India (AMFI)

Sir / Madam,

Subject: Review of investment norms for mutual funds for investment in Debt and Money Market Instruments

Group Level Exposure Limits

1. Paragraph E of SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019 prescribed limits on investments by debt mutual fund schemes in debt and money market instruments of group companies of both the sponsor and the asset management company.

2. In partial modification to Paragraph E of the aforementioned circular the following additional provisions have been decided:
   a. The investments of mutual fund schemes in debt and money market instruments of group companies of both the sponsor and the asset management company of the mutual fund in excess of the limits specified therein, made on or before October 1, 2019 may be grandfathered till maturity date of such instruments. The maturity date of such instruments shall be as applicable on October 1, 2019.
   b. All AMCs shall publish on their respective website a list of their group companies and those of their sponsor(s).
   c. AMFI shall publish on its website a list of all group companies along with names and identifier of the respective group that are considered for

calculation of group exposure by mutual fund schemes and also the sector to which each company belongs.

d. The disclosures at paragraphs 2b and 2c above shall be made on 1st working day of each calendar quarter starting from January 1, 2020.

3. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 77 of SEBI (Mutual Funds) Regulations, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

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